DOCUMENT RESUME

ED 165 255 EA 011 170

AUTHOR Myroon, John L.
TITLE Skill Development in ZBB: Implementation Labs.
PUB DATE Jun 78
NOTE 23p.; For a related document, see EA 011 169

EDRS PRICE MF-$0.83 HC-$1.67 Plus Postage.
DESCRIPTORS Elementary Secondary Education; Foreign Countries; *Management Systems; *Program Budgeting; School Districts; *Simulation; *Skill Development; *Worksheets
IDENTIFIERS Canada; *Zero Base Budgeting

ABSTRACT

The purpose of the three sections of this document is to provide simulated activities that will help each participant acquire the necessary skills to work with zero-base budgeting (ZBB). The specific objectives are to provide activities that will assist a manager in determining whether or not ZBB should be considered for implementation, to provide activities that will develop skills necessary in developing an appropriate ZBB implementation plan for the local school district, and to provide activities that will develop practical application skills in ZBB steps. The simulation activities are intended to accompany the paper by the same author entitled "Toward the Improvement of the Budgeting Process and Policy Realization Through Zero-Base Budgeting." (Author/MLF)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ZBB: Zero-Base Budgeting

ED165255

EA 011 170

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

SKILL DEVELOPMENT IN ZBB:

IMPLEMENTATION LABS

To Accompany Paper entitled "Toward The Improvement of the Budgeting Process and Policy Realization Through Zero-Base Budgeting"

CONTENTS

Section		Page
1.	Introduction	(0.1)
2.	Implementation Decision	(1.1 - 1.6)
3.	Implementation & Design Plan	(2.1 - 2.6)
4.	ZBB Utilization Skills	(3.1 - 3.8)

By
JOHN L. MYROON
Executive Director
Administrative Services Division
ALBERTA LABOUR
1003 - IBM Building
Edmonton, Alberta

June, 1978

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

J. Myroon

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND USERS OF THE ERIC SYSTEM."

SKILL DEVELOPMENT IN ZBB: IMPLEMENTATION LABS

GENERAL INSTRUCTIONS

SIMULATION PROBLEM DEFINED AND PURPOSES:

How can a school jurisdiction best determine if ZBB should be implemented? If ZBB is to be implemented, how does one go about achieving implementation? How does one gain a working knowledge of the ZBB process? The purpose or overall goal of the next three sections is to provide simulated activities which will help each participant acquire the necessary skills in terms of the above 3 questions. More specifically, the specific objectives are:

(1) to provide activities that will assist a manager in determining whether or not ZBB should be considered for implementation,

(2) to provide activities that will develop skills necessary in developing an appropriate ZBB implementation plan for the local school district, and

(3) to provide activities that will develop practical application skills in the ZBB steps

---

Directions: Read the instructions for each lab.

SUGGESTED ORGANIZATION

Read the "suggested organization" section for each lab

TIME

Lab 1 - 30 minutes

Lab 2 - 30 minutes

Lab 3 - 60 minutes

2 hours

SKILL DEVELOPMENT IN ZBB: IMPLEMENTATION LABS

SPECIFIC INSTRUCTIONS FOR LAB 1: IMPLEMENTATION DECISION

PROBLEM DEFINITION

The first consideration in implementing ZBB is "Is ZBB the most appropriate budget technique for your organization? It could be that ZBB is the most appropriate technique for the adjoining jurisdiction, it may not in fact be the most appropriate for your system. To help determine the answer to this question this section of the lab excercise attempts to focus on data that is crucial in making the "to do" or "not to do" decision.

DIRECTIONS:

(1) Read the section of the paper entitled "Contextual Scenerio" (pages 3 - 5)

(2) Keeping the contents of the presentation and the existing budgeting system and environmental conditions of your jurisdiction in mind, read & answer each question chronologically.

SUGGESTED ORGANIZATION:

1. Work in groups of no more than 5 persons
2. Appoint one person as the chairperson
3. It would be preferable to have personnel from the same jurisdiction work together (or at least the same size & type of system).
4. Complete all the items separately
5. Discuss your responses collectively

TIME: 30 Minutes

NOTE: In discussing your responses the chairman may want to assign each individual one of the following roles so to attain the perspectives of most of the actors in the budgeting process (secretary and/or treasurer, superintendent, board chairman, transportation supervisor, principal, subject area head in a school, maintenance supervisor, etc.).

ZBB SIMULATION LAB 1: Implementation Decision

1. Budget Audit: (a) List the strenghts and weaknesses of your present budget process

Strengths
1.
2.
3.
4.
5.
6.
7.
8.

Weaknesses
1.
2.
3.
4.
5.
6.
7.
8.

(b) Which of the above strenghts do you want retained and which weaknesses do you definitely want to overcome: arrange each in order of priorty (1 being most important strength or greatest weaknesses you want to overcome):

Priorization of Strengths
1.
2.
3.
4.
5.
6.
7.
8.

Priorization of Weaknesses
1.
2.
3.
4.
5.
6.
7.
8.

2. Analysis of Present Budget System

Analyze the strengths/weaknesses and their priorization. Are there sufficient weaknesses to warrant consideration of improving your budgeting system (circle your response)?

YES or NO *

* If No, then you do not need to complete any of the following exercises. If on the other hand you want to learn more about the steps of ZBB, go on to Lab 3. If yes then proceed to question 3 below.

3. Alternative Techniques to Improve Budgeting

Identify some alternate ways of improving your present budget techniques.

Alternate Ways
1.
2.
3.
4.
5.
6.
7.
8.
9.

4. Environmental Conditions

The paper delivered in conjunction with this lab indicated that ZBB seems most appropriate in certain kinds of environmental conditions. Identify the environmental (economic, political, social, etc.) conditions of your jurisdiction - refer to pages 3 - 5 of paper:

Environmental Conditions
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

5. Optimal Solution

Using the identified environmental conditions and other information you have about each alternative identified in (3) rank order the above identified alternatives in order of the most optimal to the worse solution.

Rank Order	Alternative
1.	
2.	
3.	
4.	
5.	
6.	
7.	
8.	
9.	

6. Decision

Choose the two best alternatives for your system. If ZBB was not one of the two optimal or best alternatives then you need not complete the following two sections. If, on the other hand, you want to learn more about ZBB, then proceed to Labs 2 and 3.

Two Optimal Choices
1.
2.

SKILL DEVELOPMENT IN ZBB: IMPLEMENTATION LABS

SPECIFIC INSTRUCTIONS FOR LAB 2: IMPLEMENTATION AND DESIGN PLAN

PROBLEM DEFINITION	Since you have decided to implement ZBB, the next logical step is the development of a design and implementation plan. Since ZBB is a flexible approach, each plan ought to be designed within the circumstances and conditions surrounding each organization. There are many considerations to be taken into account in developing an implementation plan for ZBB or any other system. This exercise identifies only some of the considerations. An actual plan, therefore, ought to be more inclusive. Of course your plan would also build in data from lab 1.
DIRECTIONS:	Refer to and read the sections of the paper dealing with (a) assessment of ZBB (pages 33 - 40) and (b) implementation and design considerations (pages 40 - 45). Then proceed to the exercises.
SUGGESTED ORGANIZATION	1. Work in groups of no more than 5 persons 2. Appoint one person as the chairperson 3. It would be preferable to have personnel from the same jurisdiction work together (or at least the same size and type of system) 4. Complete each item separately 5. Discuss your responses with the other members
TIME:	30 Minutes
NOTE:	In discussing your responses the chairman may want to assign each individual one of the following roles so as to attain the perspectives of most of the actors in the budgeting process (secretary and/or treasurer, superintendent, board chairman, transportation supervisor, principal, subject area head in a school, maintenance

ZBB SIMULATION LAB 2: IMPLEMENTATION PLAN

1. Objectives and Expectations for ZBB

Identify the objectives and expectations you would have for ZBB as a replacement budgeting system. *

Objectives and Expectations
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.

* refer to body of paper for purposes of ZBB

* some of the objectives should overcome some of the weaknesses of your present system as identified in Lab 1 (page 1.2).

2. Perceived Strenghts/Weaknesses of ZBB

Identify some of the major strenghts of ZBB as they relate to your objectives and also some of the weaknesses/problems you could encounter (refer to section of paper dealing with assessment of ZBB, pages 33 - 40):

Strengths	Weaknesses
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.
8.	8.
9.	9.
0.	10.

3. Analysis of Environmental Constraints/Assets

Using a forced-field analysis approach, list the environmental factors which would tend to help implement ZBB successfully and those that would tend to work against ZBB

Factors For (+)	Factors Against (-)
1.	1.
2.	2.
3.	3.
4.	4.
5.	5.
6.	6.
7.	7.

4. Neutralizing The Negative Factors From (3) on the previous page

Identify ways to overcome each of the factors which you identified as working against the successful implementation of ZBB.

5. Strategies

The following strategy items should be considered, decisions made and plans developed. (circle your decision for each):

a. entire budget(OR) only parts

b. pilot test(OR) implementation

c. part of organization(OR) all

d. bottom - up(OR) top down

e. executive commitment

6. Linkage to Existing Management Systems

ZBB should be an integral part of any existing management systems. How would you link ZBB to (Discuss these with your group members) ?

a. PPBES

b. PAR

c. MBO

d. Control

e. Information

7. Technology And Procedures

Plans should be developed for each of the following: (a - d are in Lab #3)

a. decision units (lab 3)

b. decision packages (lab 3)

c. ranking (lab 3)

d. forms (details as to - lab 3)

e. guidelines and instructions

f. timelines - budget schedule

g. training

h. assistance

i. types of support analysis and planning

j. evaluation

k. feedback

Discuss items e - k with the other members of your group.

8. Checklist

Prepare a checklist of all implementation considerations (sequentially arranged) and tentative target dates for completion.

	Implementation Considerations	Target Dates	Met (✓)
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
11.			
12.			
13.			
14.			
15.			
16.			
17.			
18.			
19.			
20			

SKILL DEVELOPMENT LAB IN ZBB: IMPLEMENTATION LABS

INSTRUCTIONS FOR LAB 3: ZBB UTILIZATION SKILLS

PROBLEM DEFINITION	There are four basic steps to the ZBB process: (1) identification of decision units, (2) development of decision packages, (3) ranking and analysis and (4) budget document. In order to make judgements about ZBB it is important to have a "feel" and working level understanding of the steps.
DIRECTIONS:	Read the section of the paper (also refer to transparency/slide handout) dealing with the basic steps of ZBB (Pages 14-25). Then work through the exercises in numeric order.
SUGGESTED ORGANIZATION	1. Work in groups of no more than 4 - 5 persons 2. Personnel from the same jurisdiction or same size and type of jurisdiction should work together 3. Choose a chairperson 4. Complete each item collectively rather than independently 5. Share with other groups
TIME:	60 Minutes
NOTE:	In discussing your responses the chairman may want to assign each individual one of the following roles so as to attain the perspectives of most of the actors in the budgeting process (secretary and/or treasurer, superintendent, board chairman, transportation supervisor, principal, subject area head in a school, maintenance supervisor, etc.

ZBB SIMULATION LAB 3: PRACTICAL APPLICATION SKILLS

1. Defining Decision Units (read Pages 14 & 15 in paper)

Take part or all of your organization and identify decision units based upon the existing structure (Alberta's PAB structure could be used):

Possible Decision Units for (Name of Jurisdiction) _____
1.
2.
3.
4.
5.
6.
7.
8.
9.
10.
11.
12.
13.
14.
15.
16.

2. Developing Decision Packages (read pages 15 - 18 and Appendix A of paper)

(a) Content of Decision Package

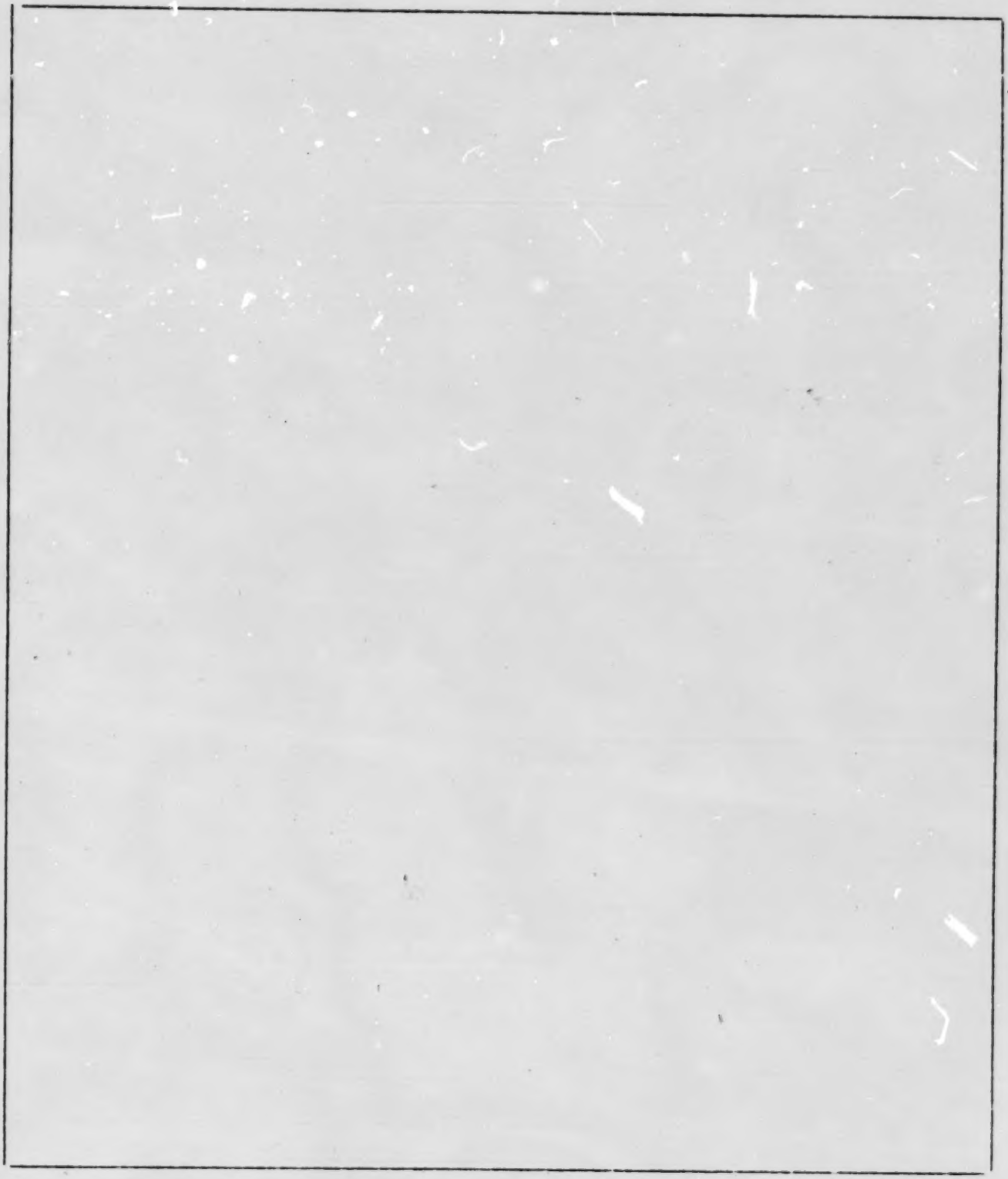
Read page 16 and Exhibit 2 in Appendix A of the paper and identify the content of what you would consider to be the minimal type of decision package in your organization.

Minimal Content of D.P.

(b) Format of above D.P.

Take your content from (a) above and arrange the content from (a) above in a simple and pleasing format. (provide for number of D.P. - i.e. number X of Z etc.)

2. (b) D.P. Format



(c) Some Decision Rules & Instructions (see page 15). Indicate your preference for:

(I) numbering sequence of D.P. per D.U (Levels)

(II) number of D.P. per D.U.

(III) description of each level and

(IV) funding level

Level # (I)	No. of Total # (II)	Description (III)	Funding Level * (IV)

*Note - see page 17, item (d)

(d) Preparing Decision Packages

Take any one D.U. you identified in 1 and on the D.P. form you formatted in 2 (b) prepare a minimal support level package. If you have time to prepare D.P. two, three, etc. for the same D.U., then do so.

3. Ranking The Decision Packages (pages 18 - 25 of Paper)

(a) Content of Ranking Form (page 19). Identify the preferred content of a ranking form.

Type of Information on Ranking Form

(b) Volume of D.P. (pages 20-22) In Ranking

The volume of D.P. can become enormous. What two ways can be used to keep the number reasonable in the ranking process?

(1) _____

_____

_____

(2) _____

_____

_____

(c) Ranking Procedures (pages 22 - 25)

There are two major considerations in the ranking process procedures: Who should do the ranking and how should the ranking be done? Take your organization and

(I) develop a system of people who would do the rankings and reviews

Ranking & Review Procedures - Who & What Level

(II) develop what you consider to be a reasonable single voting criterion scale for your organization. (page 24)

(III) develop what you consider to be a reasonable multiple criteria Voting Scale for your organization (page 25).

(IV) which do you prefer?

Single or Multiple

4. Implementation

(a) Are you ready to implement ZBB?

YES or NO

(b) Give the reasons why or why not ?